



118 E. Seventh St.; Suite 2A Anaconda, MT 59711
ph: 406.563.5259 fx: 406.563.5476
<http://www.medamembers.org>

MEDA represents over 230 members, who are actively involved in local economic activity, community development, job retention and job creation for Montana.

February 13, 2013

TO: Chairman Duane Ankney and the House Appropriations Committee; John Rogers, Governor's Office of Economic Development, and Meg O'Leary, Montana Dept. of Commerce

RE: Concern with Proposed Funding Levels for Primary Sector Workforce Training Program

Under Governor Bullock's proposed budget, HB2 funding for the Primary Sector Workforce Training Grant Program is significantly underfunded for FY 2014 and FY 2015. The budget calls for an allocation of \$1.0 million per year.

The Primary Sector Workforce Training Program is used statewide to provide incentive resources for training- related expenses directly to new and expanding businesses that are creating new jobs for Montana. Under the proposed appropriation level of \$1.0 million per year, the State of Montana is saying that this key program will only support the creation of 200 jobs per year.

In FY 2010 and FY 2011, the State of Montana provided funding under this program sufficient enough to fund grants for 1,484 jobs. After grant applications in FY 2013 are reviewed by the Department of Commerce the end of this month (January 2013), all Primary Sector Workforce Training dollars will be exhausted for the balance of the fiscal year, leaving five months of new job-creating projects without resources from this program. The FY 2012 and FY 2013 appropriation was only \$1.0 million per year.

Montana is in a unique position to create jobs as the economy improves and energy development continues. We also have the opportunity to see job creation in manufacturing, healthcare, and many other sectors. Montana is also in one of the most competitive regions in the nation, with our neighboring states working hard to enhance job creation in their states. MEDA wants to make sure that our economic development tools are adequately funded and that we're ready to work with new and expanding businesses as they look to create jobs.

MEDA would recommend that funding levels for the Primary Sector Workforce Training Grant Program be increased to the FY 2010 and 2011 levels of \$5 million per year. This will help assure that Montana's and our local economic development efforts remain prepared and competitive for future job-creating efforts. While this type of increase may be concerning, it should be recognized that this money is not utilized unless the new jobs are created. At that time, the new development will equate to additional state revenues, thereby offsetting the incentive that is provided..

Thank you for your consideration. We very much appreciate our partnership with the Department of Commerce and the Governor's Office of Economic Development, and our legislature, as we all work to support job creation in Montana.

For MEDA,

Tracy McIntyre, President

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